

106TH CONGRESS
2D SESSION

S. RES. 263

Expressing the sense of the Senate that the President should communicate to the members of the Organization of Petroleum Exporting Countries (“OPEC”) cartel and non-OPEC countries that participate in the cartel of crude oil producing countries, before the meeting of the OPEC nations in March 2000, the position of the United States in favor of increasing world crude oil supplies so as to achieve stable crude oil prices.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 28, 2000

Mr. ASHCROFT (for himself, Mr. ABRAHAM, Mr. GRASSLEY, Mr. SANTORUM, Mr. HUTCHINSON, Mr. SMITH of New Hampshire, Mr. GRAMS, Mr. L. CHAFEE, Mr. CRAPO, and Mr. FEINGOLD) submitted the following resolution; which was referred to the Committee on Foreign Relations

MARCH 9, 2000

Reported by Mr. HELMS, with an amendment

[Strike out all after the resolving clause and insert the part printed in *italic*]

MARCH 27, 2000

Considered, amended, and agreed to

RESOLUTION

Expressing the sense of the Senate that the President should communicate to the members of the Organization of Petroleum Exporting Countries (“OPEC”) cartel and non-OPEC countries that participate in the cartel of crude oil producing countries, before the meeting of the OPEC nations in March 2000, the position of the United States

in favor of increasing world crude oil supplies so as to achieve stable crude oil prices.

Whereas the United States currently imports roughly 55 percent of its crude oil;

Whereas ensuring access to and stable prices for imported crude oil for the United States and major allies and trading partners of the United States is a continuing critical objective of United States foreign and economic policy for the foreseeable future;

Whereas the 11 countries that make up the Organization of Petroleum Exporting Countries (“OPEC”) produce 40 percent of the world’s crude oil and control 77 percent of proven reserves, including much of the spare production capacity;

Whereas beginning in March 1998, OPEC instituted 3 tiers of production cuts, which reduced production by 4,300,000 barrels per day and have resulted in dramatic increases in crude oil prices;

Whereas in August 1999, crude oil prices had reached \$21 per barrel and continued rising, exceeding \$25 per barrel by the end of 1999 and \$27 per barrel during the first week of February 2000;

Whereas crude oil prices in the United States rose \$14 per barrel during 1999, the equivalent of 33 cents per gallon;

Whereas the increase has translated into higher prices for gasoline and other refined petroleum products; in the case of gasoline, the increases in crude oil prices have resulted in a penny-for-penny passthrough of increases at the pump;

Whereas increases in the price of crude oil result in increases in prices paid by United States consumers for refined petroleum products, including home heating oil, gasoline, and diesel fuel; and

Whereas increases in the costs of refined petroleum products have a negative effect on many Americans, including the elderly and individuals of low income (whose home heating oil costs have doubled in the last year), families who must pay higher prices at the gas station, farmers (already hurt by low commodity prices, trying to factor increased costs into their budgets in preparation for the growing season), truckers (who face an almost 10-year high in diesel fuel prices), and manufacturers and retailers (who must factor in increased production and transportation costs into the final price of their goods): Now, therefore, be it

1 *Resolved*, That it is the sense of the Senate that—

2 (1) the President and Congress should take
3 both a short-term and a long-term approach to re-
4 ducing and stabilizing crude oil prices as well as re-
5 ducing dependence on foreign sources of energy;

6 (2) to address the problem in the short-term,
7 the President should communicate to the members
8 of the Organization of Petroleum Exporting Coun-
9 tries (“OPEC”) cartel and non-OPEC countries that
10 participate in the cartel of crude oil producing coun-
11 tries, prior to their scheduled meeting on March 27,
12 2000, that—

1 (A) the United States seeks to maintain
2 strong relations with crude oil producers around
3 the world while promoting international efforts
4 to remove barriers to energy trade and invest-
5 ment and increased access for United States
6 energy firms around the world;

7 (B) the United States believes that re-
8 stricting supply in a market that is in demand
9 of additional crude oil does serious damage to
10 the efforts that OPEC members have made to
11 demonstrate that they represent a reliable
12 source of crude oil supply;

13 (C) the United States believes that stable
14 crude oil prices and supplies are essential for
15 strong economic growth throughout the world;
16 and

17 (D) the United States seeks an immediate
18 increase in the OPEC crude oil production
19 quotas and not simply an agreement at the
20 March 27, 2000, meeting to lift production
21 quotas at a later date;

22 (3) the President should be commended for
23 sending Secretary of Energy Richardson to person-
24 ally communicate with leaders of several members of

1 the Organization of Petroleum Exporting Countries
2 on the need to increase the supply of crude oil;

3 (4) to ameliorate the long-term problem of the
4 United States dependence on foreign oil sources, the
5 President should—

6 (A) review all administrative policies, pro-
7 grams, and regulations that put an undue bur-
8 den on domestic energy producers; and

9 (B) consider lifting unnecessary regula-
10 tions that interfere with the ability of United
11 States' domestic oil, gas, coal, hydro-electric,
12 biomass, and other alternative energy industries
13 to supply a greater percentage of the energy
14 needs of the United States; and

15 (5) to ameliorate the long-term problem of
16 United States dependence on foreign oil sources, the
17 Senate should appropriate sufficient funds for the
18 development of domestic energy sources, including
19 measures to increase the use of biofuels and other
20 renewable resources.

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